

**Representative Eric K. Hutchings** proposes the following substitute bill:

**ANNUAL LEAVE CONVERSION**

2002 FIFTH SPECIAL SESSION

STATE OF UTAH

**Sponsor: Beverly Ann Evans**

**This act modifies code provisions relating to state officer and employee benefits. This act conditions the conversion of annual leave to a deferred compensation plan upon specific funding from the Legislature. This act has an immediate effective date.**

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**67-19-12.9**, as enacted by Chapter 339, Laws of Utah 2001

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **67-19-12.9** is amended to read:

**67-19-12.9. Accumulated annual leave -- Annual conversion to deferred compensation plan.**

(1) ~~[The]~~ If the Legislature in an annual appropriations act with accompanying intent language specifically authorizes this use, the department shall implement a program that allows an employee, in ~~[each]~~ the approved calendar year, to elect to convert up to 20 hours of annual leave, in whole hour increments not to exceed \$250 in value, into any of the employee's designated deferred compensation accounts that:

(a) are sponsored by the Utah State Retirement Board; and

(b) are qualified under Section 401(k) or Section 457 of the Internal Revenue Code.

(2) Any annual leave converted under Subsection (1) shall be:

(a) converted into the employee's deferred compensation account at the employee's pay rate at the time of conversion; and

(b) calculated in the last pay period of the leave year as determined by the Division of



26 Finance.

27 (3) An employee may not convert hours of accrued annual leave to the extent that any  
28 hours converted would:

29 (a) exceed the maximum amount authorized by the Internal Revenue Code for ~~[each]~~ the  
30 calendar year; or

31 (b) cause the employee's balance of accumulated annual leave to drop below the maximum  
32 accrual limit provided by rule.

33 Section 2. **Effective date.**

34 If approved by two-thirds of all the members elected to each house, this act takes effect  
35 upon approval by the governor, or the day following the constitutional time limit of Utah  
36 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the  
37 date of veto override.